Ban on futures trading

†2625. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether the wrong futures trading policy of Government have resulted in extreme inflation and has encouraged the practice of speculation to a greater extent;

(b) whether it is a fact that billions of Indian currency is going abroad leading to hike in most of the commodities as a result thereof;

(c) whether demonstrations and dharnas are being staged to mark protest against futures trading and Members of Parliament of various political parties have also submitted memorandum in protest of futures trading;

(d) whether Government would consider to impose ban on futures trading in order to check inflation;

(e) if so, by when; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir.

(c) As per media reports there have been protests against rise in prices of essential commodities and a demand for strict regulation of commodity futures Exchanges. No memorandum from Members of Parliament protesting against futures trading has been received during this year by Ministry of Finance.

(d) to (f) There is no such proposal at present. The recent rise in prices of agricultural commodities has been mainly due to shortfall in domestic supplies relative to demand and hardening of prices in the international markets.

Exemption of Excise Duty on Pharmaceutical Products

2626. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the pharma industry is enjoying the benefits of Excise duty in some States;

†Original notice of the question was received in Hindi.

(b) if so, what are the names of States in which the Excise duty is exempted and upto what period the facility is provided; and

(c) what steps are being taken by Government to prevent the exodus of pharmaceutical companies from other States to these States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Area-based excise duty exemptions are applicable to specified units located in the North-East Region, Sikkim, Jammu & Kashmir, Uttaranchal and Himachal Pradesh and Kutch district of Gujarat. Except for Kutch, in all other cases, the exemption is available for a period of 10 years from the date of start of commercial production. In case of Kutch, it is for five years from the date of start of commercial production.

(c) Having taken into account all material factors, no change in the above exemption schemes is under consideration of the Government at present.

Waiver of agricultural loans by Karnataka

2627. DR. VIJAY MALLYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that State Government of Karnataka are considering proposals to waive the agricultural loans lent to farmers who committed suicide due to crop failure;

(b) what are the details in this regard;

(c) whether the Central Government would examine the scheme and adopt the same for the whole country to provide relief to the families of farmers who committed suicide in other States such as Andhra Pradesh; and

(d) what is the likely financial implication involved, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) to (d) Does not arise.